

February 6, 2003

Mr. Kevin Waring
Local Boundary Commission
550 West 7th Ave., Suite 1770
Anchorage, AK 99501

Mr. Waring:

I would like to express my concerns regarding the Local Boundary Commission's Review of the Unorganized Borough, specifically pertaining to Prince of Wales Island. In reviewing the data used to justify the ability of the Island to financially support a Borough, I believe there are some glaring inaccuracies.

First, the economic data, per capita income and economic base seems to be based on old data which may reflect the situation in the past but does not reflect the current situation. Many of the assumptions of the analysis stress the presence of a viable timber industry in most if not all communities. This is not the case. With the loss of the long-term timber sale contract with the Ketchikan Pulp Corporation, the inability of Ketchikan Gateway Forest Products to become viable, and the current timber economics, the timber industry has played and increasingly smaller role in the economics of the Island. The high paying jobs of the past have been lost and most not replaced. The population of the Island has significantly dropped. It is imperative that you base your analysis on current data, not past economic trends from the mid-1990's.

Secondly, in many of the communities you have identified the role that fishing plays in the local economics. With the down-turn in the fishing industry due to the price being offered for many species, fishing may play a much less role in the economy of these communities.

Third, I do not think your analysis considers the cultural aspects of the communities across the Island. There are many people who obtained land through lottery or at State sales at a very low price. The individuals exist on a greatly reduced income. By forcing taxes on these individuals, you may place on them a burden that they cannot withstand. I believe that many of these individuals are currently living at or near their economic limits. If a Borough is forced upon them, they will default and be forced to sell and move.

Lastly, I am a business owner here on the Island, actually 2 businesses. We own two Liquor stores, one in Thorne Bay and one in Coffman Cove. My wife and I would be hard pressed to exist off the income from these businesses, actually we would not be able to. We both work outside the business to maintain our current lifestyle. We have seen the economic downturn here in these communities, our books reflect that. The additional burden that Borough taxation would place on these communities would further strain on our businesses.

It is most likely inevitable that the unorganized areas of the State will be placed in Boroughs. It would be good if the local communities were involved in the creation of those entities, not handed down to them from the State Government. It would be good to see the analysis based on current economic data and trends, not that from the past.

Much of the "need" for Borough creation seems to be driven by the high cost of education and the presence in our case of 4 school districts and their administrative staff. If this is the case, would it not seem prudent to address that issue separately, consolidating the schools, then seeing if the people and communities could financially support boroughization and if it would be of benefit to the State given the cost of a Borough government and all the services a borough would have to provide each community?

Thank you for the opportunity to comment.



Jim Baichtal

President

Blackpower Inc. dba

Riptide Liquor and Rain Country Liquor